

Message Text

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ACTION IO-14

INFO OCT-01 NEA-10 ISO-00 HA-05 CA-01 AID-05 AGRE-00
EB-08 USIA-06 COME-00 TRSE-00 CIAE-00 INR-10
NSAE-00 /060 W

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R 010800Z MAR 78
FM AMEMBASSY BEIRUT
TO SECSTATE WASHDC 6936
INFO AMEMBASSY AMMAN
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
USMISSION USUN NEW YORK
AMEMBASSY TEL AVIV
AMEMBASSY JIDDA

C O N F I D E N T I A L BEIRUT 1102

IO FOR CHESTER NORRIS

E.O. 11652: GDS
TAGS: UNRWA LE
SUBJ: REDUCTION OF UNRWA RATIONS

1. AMBASSADOR HAS RECEIVED LETTER FROM UNRWA COMMISSIONER-
GENERAL THOMAS MCELHINEY, WHICH STATES UNRWA WILL BE REQUIRED TO
REDUCE FLOUR RATION STARTING IN FEBRUARY. LETTER STATES IN PART:

A. QUOTE: "AS OF THE END OF JANUARY 1978, WITH INCOME PLEDGED
OR EXPECTED FOR 1978 TALLING \$116.5 MILLION AND BUDGETED
EXPENDITURES ESTIMATED AT \$148.2 MILLION, UNRWA FACES A BUDGETARY
DEFICIT OF \$31.7 MILLION. THESE FIGURES DO NOT INCLUDE \$2.6
MILLION PRESENTLY ESTIMATED TO BE REQUIRED TO COMPLETE THE NEW
CAMP AT BAYSSARIEH, LEBANON, OR \$4.5 MILLION NEEDED TO PARTIALLY
REPLENISH THE AGENCY'S WORKING CAPITAL. THE TOTAL SHORTAGE IS
THEREFORE \$38.8 MILLION, BUT OF THAT TOTAL THE BUDGETARY DEFICIT,
STRICTLY SPEAKING, IS \$31.7 MILLION...

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B. "INCLUDING THE FULL FLOUR RATION OF 10 KG PER RECIPIENT FOR
JANUARY, NEARLY ALL OF WHICH HAS ALREADY BEEN ISSUED, UNRWA HAS
ON HAND OR EXPECTS TO RECEIVE BY CONTRIBUTIONS IN KIND DURING THE
COURSE OF THE YEAR APPROXIMATELY 10 MONTHS' SUPPLY OF FLOUR (OR
EQUIVALENT IN RICE AVAILABLE FOR ISSUE IN LIEU OF FLOUR AT THE
RATE OF 1 KG OF RICE FOR 2 KG OF FLOUR). TWO MONTHS' SUPPLY OF

FLOUR OR RICE EQUIVALENT MUST BE CARRIED OVER AS PART OF WORKING CAPITAL FOR DISTRIBUTION IN THE EARLY MONTHS OF 1979, THUS LEAVING A TOTAL OF ONLY EIGHT MONTHS OF NORMAL RATION REQUIREMENTS PRESENTLY COVERED FOR 1978, INCLUDING THE JANUARY ISSUANCE...

C. "SPECIFICALLY, I INTEND TO BEGIN ECONOMIZING BY NOT MAKING ANY FURTHER PURCHASES OF FLOUR FROM GENERAL AGENCY FUNDS FOR ISSUE IN 1978. THE APPROXIMATELY EIGHT MONTHS' SUPPLY OF FLOUR/RICE SUBSTITUTE EXPECTED TO BE AVAILABLE FOR DISTRIBUTION IN 1978 WILL BE SPREAD AS EVENLY AS POSSIBLE OVER THE YEAR. THIS WILL REQUIRE A REDUCTION OF APPROXIMATELY ONE THIRD IN THE FLOUR RATION STARTING IN FEBRUARY (TAKING INTO ACCOUNT THE FULL ISSUANCE IN JANUARY), AND PROVIDE A BUDGET SAVING OF APPROXIMATELY \$6.8 MILLION, IF THE REDUCTION IS FULLY IMPLEMENTED. THIS REDUCED RATION WILL BE INCREASED ONLY IF THE AGENCY RECEIVES SUFFICIENT FUNDS TO COVER THE DEFICIT OF \$31.7 MILLION AFTER TAKING INTO ACCOUNT SAVINGS ACHIEVED AS TIME PASSES.

D. "THE RATION REDUCTION WILL AFFECT ONLY THE FLOUR COMPONENT OF THE BASIC RATION. THE AGENCY EXPECTS TO BE ABLE TO DISTRIBUTE OTHER COMMODITIES IN THE RATION AT ESTABLISHED LEVELS THROUGHOUT 1978. HOWEVER, IN VIEW OF THE MAGNITUDE OF THE FLOUR RATION REDUCTION PRESENTLY CONTEMPLATED, THE AGENCY IS STUDYING THE POSSIBILITY OF MAKING ONLY NINE RATION ISSUES IN THE COURSE OF 1978 INSTEAD OF THE USUAL 12 ISSUES, SO AS TO PERMIT PROPORTIONATELY LARGER AMOUNTS PER ISSUANCE. THUS INSTEAD OF ISSUING ONLY

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6.7 KG OF FLOUR (OR EQUIVALENT IN RICE) MONTHLY DURING THE REMAINING 11 MONTHS OF THE YEAR, THE AGENCY MIGHT DISTRIBUTE APPROXIMATELY 9.2 KG IN EACH OF ONLY EIGHT FURTHER ISSUES AT INTERVALS OF APPROXIMATELY 40 DAYS. THE TOTAL ISSUE FOR THE YEAR WOULD OF COURSE BE THE SAME ON EITHER BASIS." END QUOTE.

2. COMMENT: MCELHINEY TOLD AMBASSADOR THE FOLLOWING ON FEBRUARY 28. UNRWA HAD IN FACT REDUCED ITS BASIC FOOD RATION AS OF THIS MONTH. THE UNRWA FIELD DIRECTORS IN LEBANON, SYRIA AND JORDAN HAD DECIDED TO CONTINUE ISSUING THE SAME INDIVIDUAL RATION AS LAST YEAR, BUT ONLY EIGHT MORE TIMES THIS YEAR RATHER THAN ONCE A MONTH. THE FIELD DIRECTORS IN THE WEST BANK AND GAZA HAD DECIDED TO CONTINUE ISSUING A MONTHLY RATION, BUT TO REDUCE ITS AMOUNT. THE SYRIANS HAD OFFICIALLY "REJECTED" THE REDUCTION IN RATIONS, BUT THERE WAS NOTHING THEY COULD DO ABOUT IT. THE PLO HAD COMMENTED ONLY THAT IT WOULD PREFER THAT RICE NOT BE SUBSTITUTED FOR FLOUR. NO OTHER GOVERNMENTS OR ORGANIZATIONS HAD REACTED SO FAR, AND THERE HAD BEEN NO VIOLENT PROTESTS FROM THE REFUGEES THEMSELVES. END COMMENT.

3. COPY OF LETTER IS BEING POUCHED TO CHESTER NORRIS, IO/DHP.
PARKER

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NNN

Message Attributes

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Draft Date: 01 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
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